

Report to the Board

20 March 2014



Title: Review of Key Performance Indicators and Future Targets
2014/15 – 2016/17

Report of: Head of Corporate Services

Purpose of Report

1. To seek the Board's approval of the key performance indicators for 2014/15 and future targets to March 2017.

Background

2. Each year we are required to review the performance indicators we report and performance targets which have been set. It is customary to review existing indicators and targets to ensure they remain relevant, challenging and realistic.
3. We are also required to take into consideration any changes made by the Government to the reporting requirements and updated comparative information. Consideration can also be given to adding or deleting any indicators.
4. We have undertaken a review of all of key performance indicators currently reported by The Gateshead Housing Company and future targets have been set for three years.
5. These indicators are agreed with Gateshead Council and are used to review the performance of TGHC as detailed in the Management Agreement.

Summary

6. All of the indicators have now been reviewed and as part of the review we have considered the following: -
 - Whether the indicator was appropriate and should be retained.
 - Whether the indicator required an amendment.
 - Whether the indicator was not required and could be deleted.
 - Whether the indicator should continue to be reported to Board and Council.
 - Whether the indicator could continue to be collected but used as management information.
 - Whether there were any new indicators which were required.

Benchmarking

7. All targets have been reviewed using S.M.A.R.T. methodology to ensure that where benchmarking data exists, we aim to improve our performance towards the top quartile in the shortest possible time, except where we are performing at top quartile already.
8. For indicators where no benchmark comparisons exist, we have set our targets at a level that we feel is achievable and appropriate taking into consideration any outside factors. Most indicators show a steady continuous improvement within performance other than where we are confident that we have reached the optimal level of performance and in these cases performance targets are set to maintain existing performance. Some indicator targets have been reduced to consider economic or influencing factors that are likely to impact upon our performance.
9. Detailed proposals in relation to the retained performance indicators and the targets set are included within the Appendix. An overview is provided below.

HomeRepairs, Cyclical, Asset and Investment Overview

10. The HomeRepairs, Cyclical, Asset and Investment sections have a total of 16 performance indicators. These are detailed within the Appendix.
11. HomeRepairs targets have been reviewed with the repairs contractor Mears, Gateshead Council and the Value for Money and Environmental Management Service Improvement Groups (SIG).
12. HomeRepairs have amended one indicator target – ‘Appointments kept as a percentage of appointments made’. TGHC and the Council have agreed to change the indicator target from 98% in 2013/14 to 95% for 2014/15. This is to reflect the change in appointment slots being made available from AM/PM (with the previous repairs contractor) to 2 hours slots made available by Mears.
13. Targets for the remaining indicators have been kept at the same level as the prior year to enable the repairs contractor to meet the challenges of the contract and enable service improvements to be implemented which will have a wider, positive effect on customer service delivery and performance results.
14. Gas servicing continues to be a 100% compliance target. Procedures have been put in place to ensure that we achieve this target and gain access to as many properties as possible prior to expiry of the gas servicing certificate.
15. ‘Energy Efficiency: average 'SAP' rating of dwellings’ - this indicator has previously been given a numeric target. The company relies on the Council to provide this performance result at the year end. Due to the impact of reduced Council resources this large amount of data is often time consuming to collate and provide and as a result is reported annually. It is proposed to change the target to 'Increase' to reflect the external influences affecting the performance result, which are currently uncertain due to changes in funding from Energy Company Obligation (ECO) as detailed below.

16. It is proposed to delete the indicator 'External Finance secured to support the housing capital programme'. ECO changes in funding have resulted in less certainty of when work will be delivered. In the past, 100% of funding has been received from ECO however this funding has been reduced and in future a small amount will be provided from the HRA.
17. The non-decency targets have been set to ensure that we continue to focus on maintaining decency which is in line with Capital Programme aspirations.

Rent and Income, Lettings and Voids, Customer Service and Managing Tenancies Overview

18. The Rent and Income, Lettings and Voids, Customer Service and Estates and Anti-Social Behaviour sections have a total of 19 performance indicators. These are detailed within the Appendix.
19. A number of indicator targets have been revised based on the changing wider economic factors which may impact directly on our performance:

- Rent - '% of rent collected' and 'Rent arrears of current tenants as a % of the authority's rent roll'

Targets have been maintained based on 2013/14 targets. The effects of Welfare Reform have heavily influenced the ability to improve the performance of these indicators. Targets have not been set for 2015/16 onwards as the impact of the Welfare Reform changes are not yet fully known.

- Rent – 'Former tenant arrears as a % of all rent owed'

Targets have been increased to 2% for 2014/15 from 2.15% in 2013/14 levels. However, targets have not been set from 2015/16 onwards as the full impact of Welfare Reform changes are not yet fully known.

- Lettings and Void – 'The average number of days from when the tenancy is terminated to when a new tenancy begins'

The effects of Welfare Reform have heavily influenced the ability to improve the performance of this indicator. We continue to work closely with Mears to improve performance from when the property becomes void to when it is Ready To Let (RTL). The period when the property is RTL compared to when it is actually let to a new tenant is becoming longer as a direct result of Welfare Reform. Prospective tenants in receipt of housing benefits do not want to rent a property larger than they require as it will impact on their financial situation and it is this element of the indicator that is challenging to improve. As a result, targets have been increased from 32 days in 2013/14 to 42 days from 2014/15 onwards.

- Lettings and Void – 'Rent lost through Council houses being empty'

The effects of Welfare Reform have heavily influenced the ability to improve the performance of this indicator. Properties are becoming difficult to let as prospective tenants in receipt of housing benefits do not want to rent a

property larger than they require as it will impact on their financial situation. At quarter 3 2013/14, 400+ properties are vacant and this amount is expected to remain in the next financial year. This target has therefore been calculated at 2.25% for 2014/15 (compared to 1.3% for 2013/14) based on current and climbing void levels, the expected increase for the coming year and the rent increase due in April 2014. It is difficult to predict future targets until void property increases become more stable, therefore further targets will be set in January 2015 when the impact of Welfare Reform can be better evaluated.

Leasehold, Human Resources, Environmental, Value for Money and the Annual Survey Overview

20. Leasehold, Human Resources, Environmental, Value for Money and the Annual Survey have a total of 12 performance indicators. These are detailed within the Appendix.
21. Targets for Human Resources indicators have been updated to reflect the challenges faced by the service in the coming year. 'The number of working days lost due to sickness' indicator has been reduced from 7.5 days in 13/14 to 7.4 days in 14/15, to reflect the falling levels of sickness across the company. This has been achieved by robust health and wellbeing initiatives and personal support packages to individual employees.
22. The indicator '% of employees satisfied with TGHC as an employer' has also been reduced, from 89% in 2013/14 to 76% in 2014/15. This is to reflect the potential impact of the future negotiation around the management agreement, which has historically impacted negatively on staff satisfaction levels. The Company has launched a number of well-being initiatives to mitigate this and try to maintain and boost employee satisfaction levels. TGHC are currently preparing for the outcome of a recent liP inspection and it is hoped that results will have a positive effect and show further improvements made.
23. In addition, it is proposed to delete the environmental indicator '% of waste sent for recycling from Keelman House' as, due to the co-location to the Civic Centre, we are unable to collect data and report on it as an individual organisation. We are seeking advice from our environmental management system consultants (SEQM) on how we can develop new objectives and performance indicator targets as set out in the ISO14001 standard. The company will be assessed in 2014 by an external auditor, Ocean Certification Ltd., and as part of this process we will develop and propose new targets.
24. The Value for Money (VFM) target 'Value for Money - Achievement of the annual efficiency target' has been set based on maintaining the current performance level at 2%. The target is based on the proposed management fee for 2014/15 which to date is not yet agreed and may be subject to change:
25. The Annual Survey is conducted to collect satisfaction on the services we deliver and identify the priorities customers consider we should concentrate on. TGHC's Delivery Plan covers the period 2013 to 2015 and links closely to the survey results. The key focus of this year's plan is to ensure that we continue to provide services to our customers that they want, whilst supporting the Council in its objectives around the Council Plan 2012-2017 and the new Housing Strategy 2013-2018. To ensure the Annual Survey and the customer satisfaction and priorities identified from it are in line with the Delivery Plan it is proposed that the

Annual Survey will be conducted on a biennial basis. Target setting will therefore take place in January 2015 with the survey being distributed later that same year.

Impact on Tenants

26. The indicators set will have an impact on tenants as the work to meet these targets should lead to a better standard of service for tenants and leaseholders.

Risk Management Implications

27. Performance improvement is a priority for the company and we are required to report performance as part of the Management Agreement with the Council.

Financial Implications

28. There are no financial implications arising from this report.

Health Implications

29. There are no direct health implications arising from this report although successful implementation of the recommendations would have a positive impact on the health and wellbeing of Gateshead residents.

Value for Money Implications

30. Value for Money targets have been set which will have a direct impact on value for money within the Company.

Equality and Diversity Implications

31. Understanding the profile of our customers and having relevant diversity information is important for decision making to ensure that we are meeting all of our customers needs.

Environmental Implications

32. The environmental indicators will have a positive impact on the wider environment. By ensuring that we reduce our carbon footprint, we will be helping to ensure we are reducing the Housing Company's impact on the environment.

Consultation Carried Out

33. Targets have been reviewed, amended where necessary and approved by Service Improvement Groups for the appropriate service area. They have then been discussed and agreed by the Management Team. We are currently in consultation with the Council regarding the target indicators and once approved by the Board, this consultation will be finalised with the Council.

Recommendations

34. The Board is recommended to: -

- approve the performance indicators for 2014/15;
- approve the targets set to March 2017;
- delegate to the Managing Director any amendments to proposed indicators following consultation with the Council.



PERFORMANCE MEASURES & TARGETS 2014/15 – 2016/17

Achieving Target 	Not on target but improved on 12/13 		Not on target & worse than 12/13 		
Performance Measures & Targets					
Measure	Target 2013/14	Result Q3 2013/14	Target 2014/15	Target 2015/16	Target 2016/17
 Home Repairs					
% of emergency, urgent and routine repairs completed within their timescale	98%	97.30% 	98%	98%	98%
% of tenants satisfied with the repair service	97 - 100%	98.02% 	97-100%	97-100%	97-100%
Appointments made as a percentage of appointable repair orders	98%	91.40% 	98%	98%	98%
Appointments kept as a percentage of appointments made	98%	92.72% 	95%	95%	95%
% of repairs completed at first visit	91%	93.58% 	91%	93%	93%
 Cyclical Maintenance					
% of relevant properties that have had a gas service in the last 12 months	100%	99.86% 	100%	100%	100%
% of customers satisfied with the painting programme	Baseline	94.31%	95%	95.5%	96%
% of properties where a smoke detector service has been carried out	Baseline	To be reported in quarter 4	95%	95%	95%

Performance Measures & Targets

Measure	Target 2013/14	Result Q3 2013/14	Target 2014/15	Target 2015/16	Target 2016/17
Instances where lifts were unavailable in multi storey blocks (excluding planned maintenance)	Baseline	170 (out of 7,425)	200	190	180
% of multi storey blocks that have received a drainage inspection	Baseline	To be reported in quarter 4	90%	90%	90%
% of properties where a CO detector is present in a property	Baseline	97.23%	97%	97.5%	98%
 Asset					
% of council rented properties that are not decent	0%	0%	0%	0%	0%
Energy Efficiency: average 'SAP' rating of dwellings	72	To be reported in quarter 4	Increase	Increase	Increase
External Finance secured to support the housing capital programme	Baseline	£7.1 million (Quarter 2)	Delete	Delete	Delete
 Investment					
3: % of tenants satisfied with the improvements made to their home	98 - 100%	97.92% 	98%	98%	98%
Contractor time in possession indicator (days)	Baseline	8.34 days	10.5 days	10.5 days	10.5 days
 Rent Payments and Advice					
% of rent collected	Q1 - Q3 98% Q4, 98.75%	100.23% 	Q1 - Q3, 98% Q4, 98.75%	Targets not set for 2015/16 onwards until the further impact of Welfare Reform is known.	
Rent arrears of current tenants as a % of the authority's rent roll	3%	2.13% 	3%	Targets not set for 2015/16 onwards until the further impact of Welfare Reform is known.	

Performance Measures & Targets

Measure	Target 2013/14	Result Q3 2013/14	Target 2014/15	Target 2015/16	Target 2016/17
Former tenant arrears as a % of all rent owed	Q1 : 2.4% Q2 : 2.6% Q3 : 2.4% Q4 : 2.15%	2.20% 	2%	Targets not set for 2015/16 onwards until the further impact of Welfare Reform is known.	
 Lettings and Voids					
The average number of days from when the tenancy is terminated to when a new tenancy begins	32 Days	38.63 days 	42 days	42 days	42 days
Rent lost through Council houses being empty	1.30%	1.60% 	2.25%	Targets not set for 2015/16 onwards until the further impact of Welfare Reform is known.	
 Customer Services					
% of those making a complaint satisfied with the handling of the complaint	63%	76.67% 	80%	81%	82%
Satisfaction with the outcome of a complaint	Baseline	68.60%	70%	71%	72%
Satisfaction with the customer service you received from TGHC	Baseline	To be reported in quarter 4	91%	91%	91%
% of tenants on who we have diversity information (Gender, Disability, Ethnicity, Age)	100% Gender, 99.5% Disability, 99.5% Ethnicity, 100% Age	100% Gender, 99.5% Disability, 99.5% Ethnicity, 100% Age 	100% Gender, 99.5% Disability, 99.5% Ethnicity, 100% Age	100% Gender, 99.5% Disability, 99.5% Ethnicity, 100% Age	100% Gender, 99.5% Disability, 99.5% Ethnicity, 100% Age
% of tenants on who we have diversity information (Sexuality and Religion)	40%	37.5% Sexuality, 41.6% Religion 	40% Sexuality 45% Religion	42% Sexuality 47% Religion	44% Sexuality 49% Religion
% of leaseholders on who we have diversity information (Gender, Disability, Ethnicity, Age)	100% Gender, 97% Disability, 59% Ethnicity, 62% Age	100% Gender, 95.7% Disability, 62.7% Ethnicity, 64% Age 	100% Gender, 97% Disability, 64% Ethnicity, 65% Age	100% Gender, 97% Disability, 64% Ethnicity, 65% Age	100% Gender, 97% Disability, 64% Ethnicity, 65% Age

Performance Measures & Targets

Measure	Target 2013/14	Result Q3 2013/14	Target 2014/15	Target 2015/16	Target 2016/17
% of leaseholders on who we have diversity information (Sexuality and Religion)	10%	34.2% Sexuality, 38.1% Religion 	36% Sexuality 40% Religion	36% Sexuality 40% Religion	36% Sexuality 40% Religion
 Managing Tenancies					
The number of hate crime cases reported	Increase	43 	Increase	Increase	Increase
% of hate crime cases that resulted in further action	100%	100% 	100%	100%	100%
Satisfaction with the way ASB complaints are dealt	94%	91% 	93.5%	94%	94.5%
Satisfaction with the outcome of ASB complaints	93%	88% 	91%	91.5%	92%
% of ASB cases that are resolved without the need for ASB legal action	96%	97% 	96.5%	97%	97.5%
The number of Domestic Abuse cases reported	Increase	212 	Increase	Increase	Increase
% of Domestic Abuse cases that resulted in further action	100%	100% 	100%	100%	100%
 Leasehold Services					
Service charges collected as a % of service charges due	Q1 35%, Q2 61%, Q3 86%, Q4 99.25%	87.27% 	Q1 32%, Q2 61%, Q3 86%, Q4 99.26%.	Q1 32%, Q2 61%, Q3 86%, Q4 99.26%.	Q1 32%, Q2 61%, Q3 86%, Q4 99.26%.
Major works charges collected as a % of major works charges due	Q1 26%, Q2 52%, Q3 74%, Q4 88%	74.09% 	Q1 26%, Q2 52%, Q3 74%, Q4 89%.	Q1 26%, Q2 52%, Q3 74%, Q4 89%.	Q1 26%, Q2 52%, Q3 74%, Q4 89%.
 Human Resources					
The number of working days lost due to sickness	7.5 days	5.52 days	7.4 days	7 days	6.5 days

Performance Measures & Targets

Measure	Target 2013/14	Result Q3 2013/14	Target 2014/15	Target 2015/16	Target 2016/17
% of employees satisfied with TGHC as an employer	89%	To be reported in quarter 4	76%	77%	78%
 Environmental					
CO2 emissions (business miles)	42	23.53 (Quarter 2) 	41	40	39
% of waste sent for recycling from Keelman House	60%	57% (Quarter 2) 	Delete	Delete	Delete
 Value For Money					
Achievement of the annual efficiency target	2%	To be reported in quarter 4	2%	Future targets will be set annually when the management fee is agreed with Council.	
 Annual Survey					
% of tenants satisfied with the overall housing services we offer?	88%	88.70% 	Annual survey to be completed biennially and will be conducted in 2015/16.		
% of tenants satisfied with their home?	87%	87.5% 	Annual survey to be completed biennially and will be conducted in 2015/16.		
% of tenants satisfied that the rent and service charges paid are good value for the services received?	84%	85.6% 	Annual survey to be completed biennially and will be conducted in 2015/16.		
% of tenants satisfied with the neighbourhood they live in?	86%	87.3% 	Annual survey to be completed biennially and will be conducted in 2015/16.		
% of tenants satisfied with opportunities to get involved and influence decisions made by the company?	73%	73.60% 	Annual survey to be completed biennially and will be conducted in 2015/16.		